## Claims

[c1]	1.A method for assessing an automotive finance company's equity adequacy comprising:
	quantifying the company's sources of creditor protection wherein the sources
	comprise equity, reserves and net deferred tax liability in the event of an overall loss;
	estimating the company's potential unexpected worst-case losses for each of
	a plurality of exposures with 99.9% confidence; and
	comparing the company's creditor protection to the company's potential
	unexpected worst-case losses to demonstrate the company's equity
	adequacy.
[c2]	2.The method of claim 1 wherein the sources of creditor protection
[CZ]	additionally comprise future tax liability.
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[c3]	3. The method of claim 1 wherein the sources of creditor protection
	additionally comprise lifetime profits.
	4.The method of claim 1 wherein a simulation model is implemented to
[c4]	
	estimate the company's potential unexpected worst-case losses for each of a
	plurality of exposures with 99.9% confidence.
[c5]	5.The method of claim 1 wherein potential unexpected worst-case residual
	lease exposures are estimated using economic models to factor out
	historical auction price variations due to seasonality and refreshenings.
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[c6]	6.The method of claim 5 wherein it is assumed that every non-defaulting
	lease vehicle is returned and experiences a worst-case residual loss.
r - <del> 1</del>	7.The method of claim 1 wherein the sources of creditor protection
[c7]	
	comprises asset classes junior to creditor claims.
[c8]	8. The method of claim 1 additionally comprising applying a risk correlation
	value to the estimated unexpected worst-case losses to yield a risk-adjusted
	unexpected loss estimate.
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